



**F.Y.I.**

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## A Message from Director Caruso to MDOC Staff:

As you might be aware, the Governor and Legislature agreed to a Fiscal Year (FY) 2007 budget resolution last week. The Governor's office has communicated with all departments about the conclusion reached regarding the need for statewide layoffs and asked that we share this information with you:

- Statewide layoffs will not be necessary to resolve the 2007 budget problem.
- However, some departments may need to explore the option to bring their individual budgets into line.
- The 2008 budget remains unresolved; all options are still on the table.

Regarding our own budget, the DOC has a projected deficit for FY 2007 of approximately \$42 million. This projected deficit is attributable to two major factors: (1) the number of prisoners is greater than the number assumed when the FY 2007 budget was passed; and (2) increases in prisoner health care costs.

Over the past several months, we have worked intensively with the State Budget Office on approaches to address our current shortfall. We have presented to the Legislature a comprehensive proposal to solve the problem and they have conceptually agreed to this plan as a part of the FY 2007 budget deal. The State Budget Office has submitted supplemental appropriation bills to resolve our projected FY 2007 deficit. We fully expect these bills to be approved by the Legislature.

While some departments may still need to use layoffs as one option to solve their current year deficit, the Department of Corrections does not anticipate employee layoffs or employee furlough days during 2007.

Many of you have sent in suggestions for cost savings within our Department. Your ideas are being considered and I thank you for them. We are evaluating all ideas to identify those that would achieve meaningful cost reduction while maintaining safety and security at our work sites and ensuring that we meet our absolute highest priority of enhancing public safety and protecting our citizens.

We are now focused on FY 2008. The budget for next year is still unresolved and, as the Governor's Office has indicated, all options are on the table. We will continue to work hard to resolve our financial issues through the course of this state budget crisis. I know all of you are anxious to hear updates on our budget, and I will keep you informed as we move forward.

Thank you for your hard work and dedication during this difficult time.

**Patricia L. Caruso**

Director, Michigan Department of Corrections